



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1265

DATE: July 18, 2013

TO: Home and Community Based Services (HCBS) Waiver Providers, Targeted Case Managers, Service Workers, Supervisors, Service Area Administrators and Central Point Coordination Administrators

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: HCBS Rate Changes Effective July 1, 2013

Provisions of the 2013 Iowa Acts, Senate File 446, Section 29, require the Department of Human Services (DHS) to implement an increase in reimbursement rates effective July 1, 2013.

Medicaid HCBS providers are reimbursed on the basis of retrospectively limited prospective rates services or fee schedules. For updated Iowa Administrative Code rules regarding payment methodologies, please refer to the Iowa Administrative Code 441-79.1(2).

(http://www.dhs.iowa.gov/policyanalysis/PolicyManualPages/Manual_Documents/Rules/441-79.pdf).

HCBS Waiver Monthly Budget Maximum:

Each HCBS waiver monthly budget maximum or cap has been increased by three percent effective July 1, 2013.

Service Rate Increases:

Please note this does not mean that all waiver service providers or Home Health Agencies that provide waiver services will experience a rate increase since only the upper payment limits are being changed. Rates should only be increased if the provider's cost supports the increase. Please review the information below regarding rate setting type.

Rates that are Cost Based - HCBS:

Cost reported rates in place in the members' service plans on June 21, 2013, were automatically increased by three percent in the Individualized Services Information System (ISIS) by the IME. This includes:

- Supported Community Living - hourly and daily
- Residential Based Supported Community Living
- Supported Employment Supports to Maintain Employment - hourly
- Supported Employment Enhanced Job Development
- Family Training and Counseling

- Interim Medical Monitoring and Treatment

For the service rate increase effective July 1, 2013, a Notice of Decision (NOD) issuance is not necessary; the Case Manager (CM) / Service Worker (SW) and the service provider should place a copy of this Informational Letter in the member's file to support the three percent increase over those rates approved in the service plan on or before June 30, 2013. If a provider wishes to receive a new NOD from the CM/SW they may request one from the CM/SW. These services will be reconciled through the cost report process.

Rates that are Fee Schedule - HCBS:

- Rates may be increased up to the rates supported by the provider's costs, not to exceed the upper rate limits in 441 Iowa Administrative Code Chapter 79.
- Rates will not be automatically increased in ISIS by the IME.
- The provider must contact the CM or SW to request a rate increase.
- The member's CM or SW may be asked by the provider to increase the fee in the member's service plan. The rate increase will be effective the month of the provider's request.
- For the service rate increase effective July 1, 2013, a Notice of Decision (NOD) issuance is not necessary; the member's CM or SW should place a copy of this Informational Letter in the member's file to support the three percent increase over those rates approved in the service plan on or before June 30, 2013. If a provider wishes to receive a new NOD from the CM/SW they may request one from the CM/SW.

Exception to Policy (ETP) Approved Rates:

- ETPs that are currently approved to exceed the upper rate limit cannot be increased by three percent. The provider is already being reimbursed at a rate that exceeds the upper rate limit and will not receive an additional three percent over the rate granted through an ETP.
- Members with ETPs to exceed the monthly cap on the total cost of services, which include services that are fee based, such as transportation or meals, may have the fee schedule rates increased by three percent, not to exceed the upper rate limit, if the provider's costs support the rate increase. This applies only to those rates in place on or before June 30, 2013. The CM does not need to request a reconsideration of a previously approved ETP to increase the fee schedule by three percent, but should follow the directions for fee schedule rates above.

The IME is aware that there are individual situations that do not fall into one of the categories mentioned above. Providers, Case Managers, Service Workers, and the IME staff will coordinate efforts to address these situations as they arise.

The IME appreciates your partnership as we work together to serve the needs of Iowa Medicaid members. If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally 515-256-4609, or by email at:

imeproviderservices@dhs.state.ia.us.